



DAKOTA ACCESS, LLC

DAKOTA ACCESS PIPELINE PROJECT

Iowa Utilities Board

First Quarterly Report

Report Period Ending June 15, 2016

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1.0 EXECUTIVE SUMMARY

Construction of the Dakota Access Pipeline Project (DAPL Project) began on June 8, 2016. There are four spreads that cross the state, Spreads 2, 3, 3A, and 4. Spread 2 commences at the Mississippi River at the Iowa State line in Lee County and continues northwest to near the city of Newton in Jasper County. Spread 3 will begin at the northern terminus of Spread 2 and continue northwest to near the town of Rockwell City in Calhoun County. Spread 3A will begin at the northern terminus of Spread 3 and continue northwest to near the town of Larrabee in Cherokee County. Spread 4 will begin at the northern terminus of Spread 3 and continue northwest to the Big Sioux River at the Iowa State line in Lyon County.

2.0 LAND ACQUISITION STATUS

2.1 Finalization of Route

The majority of the pipeline route has been acquired for 2016 construction within Iowa. Land acquisition is still underway and occasionally landowners will request minor route deviations for site specific reasons that could alter the final route location.

To date, no route changes of a substantive nature have been identified. The Project alignment maps including any route adjustments that occurred through December 2015 were filed with the IUB on January 8, 2016. As a result of additional discussions with the Army Corps of Engineers, Pre-construction notification (PCN) numbers 1 and 34 have been withdrawn. PCN No. 1 was originally proposed as an open-cut crossing of stream and abutting wetland area; however as a result of information gained through tribal consultations, Dakota Access has modified the construction method at this location to install the pipeline at this location by horizontal directional drill (HDD). PCN 34 was already being crossed by HDD, but Dakota Access had initially planned to perform mechanized clearing of forested wetlands located between the HDD entry and exit workspaces. Mechanized clearing of forested wetlands will now be avoided at this location. Since both PCNs will be crossed by horizontal directional drill, Dakota Access will no longer undertake activities that could trigger a PCN at either of these locations.

2.2 Pipe & Contractor Yard Acquisition

Dakota Access has not acquired any pipe or contractor yards; these have been and are being acquired by the pipe vendor or the contractor as needed. There are currently two (2) pipe yards and two (2) contractor yards. Two (2) additional contractor yards are planned.

2.3 Pipeline ROW Acquisition

The current percentage of voluntarily acquired easements in Iowa is 91.5%. In addition, eminent domain hearings have begun and are scheduled to continue in June, July, and August.

2.4 Pump Station Acquisition

There is one pump station within in Iowa, located in Story County. This pump station site has been purchased and construction at this site has been initiated.

3.0 NON-ENVIRONMENTAL PERMITTING STATUS

3.1 County Roads

86% of permits for crossing county roads have been acquired and haul road agreements are in place.

3.2 State Roads

100% of permits for crossing state highways are in place.

3.3 Railroads

100 % of permits for crossing railroads have been applied for and received.

3.4 Other

N/A.

3.5 Pump Stations

All permits required for the Story County pump station construction have been received

4.0 ENVIRONMENTAL PERMITTING STATUS

Dakota Access has applied for all environmental federal and state environmental permits required for Project construction in Iowa. An Environmental Inspection firm has been retained and inspectors will evaluate construction activities throughout the project to ensure continued compliance with permits and regulatory commitments.

4.1 Federal Permits

All identified federal permits will be received by Dakota Access before constructing in any of the federal jurisdictional areas. The only outstanding federal approvals are the following from the USACE:

- Verification under Nationwide Permit 12 for pre-construction notifications at 63 discrete locations.
- Section 408 authorization at 1 discrete location.

Copies of these permits will be provided to the IUB once received.

4.2 State Permits

Dakota Access has applied for all necessary state environmental permits to begin construction in Iowa. These permits were provided to the IUB prior to construction. Status updates on state permits are below:

- Sovereign Lands Permit (16-021) authorizing construction across state lands including the Big Sioux River Wildlife Management Area, the Big Sioux, Des Moines, and Mississippi Rivers, as amended, received on June 17, 2016.
- Temporary water withdrawal permits have been received from the IDNR at 13 locations for pre-testing HDD pipe and five locations for mainline testing (Rock River, Floyd River, Twin Lakes Reservoir, Mississippi River, and South Skunk River).
- IDNR Floodplain Review response received on March 11, 2016, notified Dakota Access that a state Floodplain Development Permit is not required for the Project.
- Hydrostatic test discharge permit applications were filed on June 9, 2016. Authorization from the IDNR pending.

5.0 CONSTRUCTION STATUS

5.1 Pipe Offloading

All line pipe has been delivered to the vendor's pipe yards.

5.2 Pipeline

Pipeline construction was initiated on June 8, 2016. The current status per construction spread is reported in Table 1.

Table 1 – Construction Status Per Spread, Iowa

Spread Number (mileage)	Clearing / Grading (miles)	Welding (miles)	Lowering- In (miles)	Rough Clean-up (miles)	Final Clean-up (miles)
Spread 2 (~130.3 miles)	12.81	0.41	--	--	--
Spread 3 (~62.2 miles)	--	--	--	--	--
Spread 3A (~95.6 miles)	--	--	--	--	--
Spread 4 (~59.6 miles)	--	--	--	--	--

5.3 Pump Station

Construction has started.

5.4 Environmental Control Activities

Erosion control measures are being installed prior to and during initial soil disturbing activities and will be maintained throughout construction. The environmental inspection team will document the installation and maintenance of these erosion and sediment control measures, as well as Dakota Access' compliance with permit and regulatory requirements.

Prior to the start of construction, the environmental and agricultural inspection team began identifying resource area boundaries, sampling and recording topsoil depths, and getting familiar with the Project plans and permit requirements necessary for construction.

6.0 FACILITY RESPONSE & INTEGRITY MANAGEMENT PLANS STATUS

6.1 Facility Response Plan

The draft Facility Response Plan has been drafted and will be finalized to incorporate the conditions of the installed system.

6.2 Integrity Management Plan

The Integrity Management Plan is still under development.